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Hans Keman

Abstract

Coalition theory is central to our understanding of the nexus between party system development, party government composition and the relationship between the executive and legislature. I argue that government formation is crucial for understanding the life cycle of party government. I consider the relations between parties in parliament and parties in government as principal–agent relations, signifying the indirect character of representative governance. The study of (coalition) government should not be a one-shot game and not be conducted without taking into account its contextual variation or the time dimension: the coalition praxis to form a new government is not only a post-electoral ‘game’ conducted within parliament and government between parties, but also a serious exercise by parties to translate policy preferences into a viable agreement that honours, by and large, the voters’ choices. The comparative analysis of 17 established parliamentary democracies after 1990 serves to illustrate these points.

Keywords

coalition theory, party responsiveness, party systems, representative government

Introduction: Coalition politics and democratic theory

In the majority of the established parliamentary democracies, the politics of coalition formation is crucial to understanding how the relationship between the executive and legislature is shaped by the way party government operates.¹ As is documented elsewhere, the process of government formation and its actual outcomes

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- 1 Ian Budge, Hans Keman, Michael D. McDonald and Paul Pennings, ‘Comparative Government and Democracy’, in Hans Keman (ed.), *Comparative Democratic Politics: A Guide to Contemporary Theory and Research* (London: Sage, 2002).

determine by and large both the viability and policy performance of party government.²

However, it is often overlooked that coalition politics and party government are essential to understanding how legitimately parliamentary democracy functions in terms of 'representative government'. This type of democracy is considered to be indirect, meaning that the citizen-cum-elector is the principal and its representatives (the parties and their candidates) are the agents. Equally indirect is the process of coalition government, since it is the parties represented in parliament that are responsible for making and breaking any type of party government (with the exception of single-party government in a two-party system like the UK until 2010 and New Zealand until 1994). In other words, multi-party government is an institution with delegated powers and is formed on the basis of negotiations between parliamentary parties after the elections have taken place. Hence the politics of forming coalition government is conducted by parties that at the same time must 'command and control' as a principal the policy-making actions of its self-appointed agent: party government.³ All this implies that in indirect forms of democracy⁴ political parties have a dual and often conflicting role, being *both* agent and principal.⁵

Organizational theory tells us that there are minimally two conditions required to make a principal-agent relationship work: (1) trust, and (2) effective control. Note, however, that 'trust' can imply trust in a person (politicians) or in the institutions and their performance. Hence the formation of representative government in parliamentary democracies implies that the population (i.e. the electorate) trusts its agents, i.e. the political parties, and must have confidence in these parties not only to follow the mandate received through elections (e.g. the policy programme or electoral manifesto), but also to form a government that is more or less representative and effectively conducting its business according to the 'rules' (institutions) of the game. In normative terms this often means 'good governance', i.e. a party government that is 'responsive' and 'accountable'. Responsiveness is conceptualized as transforming the 'people's will' into public policy according to the electoral pledges of parties and in particular those in government. Accountability defines the institutional role of parties in parliament in controlling party government with

- 2 Hans Keman, 'Policy-Making Capacities of European Party Government', in Kurt R. Luther and Ferdinand Müller-Rommel (eds), *Political Parties in the New Europe* (Oxford: Oxford University Press, 2002).
- 3 Hans Keman, 'Centre-Space Politics: Party Behaviour in Multi-Party Systems', in Hans Keman (ed.), *The Politics of Problem-Solving in Postwar Democracies* (Houndmills: Macmillan, 1997); Kaare Strøm, Wolfgang C. Müller and Torbjörn Bergman (eds), *Delegation and Accountability in Parliamentary Democracies* (Oxford: Oxford University Press, 2003).
- 4 Or, to use Dahl's term, 'polyarchy'. Robert A. Dahl, *On Democracy* (New Haven, CT: Yale University Press, 2000).
- 5 Thomas Saalfeld, 'Members of Parliament and Governments in Western Europe: Agency Relations and Problems of Oversight', *European Journal of Political Research*, vol. 37, no. 3 (2000), pp. 353–76.

regard to their policy performance.⁶ The higher the degree of responsiveness and the more accountable government is – so the argument goes – the better an indirect type of democracy performs.⁷

Obviously this approach departs from an ‘ideal-type’ using normative ideas as they developed over time and called the liberal type of democracy.⁸ It is also obvious that in reality the norms of this model are hardly ever met.⁹ But this article is not an attempt to discuss this issue, nor to (dis)prove it by means of empirical analysis. What I set out to discuss here is to what extent the politics of coalition sheds light on the process of party government formation in terms of ‘representative’ government as part of democratic theory by focusing on the degree of ‘responsiveness’ of the government eventually formed as an outcome of the coalition negotiations between parties after the election. In part this will not only show the importance of coalition theory per se, but also the weight of government formation and the resulting types of party government in view of democratic theory.¹⁰

The article is structured as follows: first I sketch the changing political landscape that took place around the 1990s. I view this period as a change towards less trust in politics due in large part to socio-economic change in most OECD countries, eventually influencing party behaviour and government formation. In the second section I present information on the different approaches in coalition theory to account for the variations of governments formed. I contend that coalition theory is still a work in progress and will offer some ideas on how to improve it. The next section deals with the life cycle of the different types of party government in view of their institutional design, focusing on the organization of governance and the relations with their principal (i.e. parliament). Finally, I examine representative quality in terms of the responsiveness of the party system and party government.

Societal change, political consequences and party governance

Since the late 1980s dramatic political and economic change has occurred across the OECD, affecting most established democracies. For example, in Europe the single market was introduced in 1986 followed by the foundation of the EU as an explicit transnational organization in 1992. At the same time OECD members faced a slowdown in international trade combined with de-industrialization and rising levels of unemployment. The Cold War ended abruptly in 1989 followed by the emergence

6 Arend Lijphart, *Patterns of Democracy: Government Form and Performance in Thirty-Six Countries* (New Haven, CT: Yale University Press, 1999); Manfred G. Schmidt, *Demokratietheorien: Eine Einführung*, 4th rev. edn (Wiesbaden: VS Verlag, 2005).

7 P. Mair, ‘Democracy Beyond Parties’, 2005, UC Irvine: Centre for the Study of Democracy, available at: <http://escholarship.org/uc/item/3vs886v9>; Hans Keman, *Parties and Government: Incumbency and Representation in Parliamentary Democracies*, *Acta Politica*, vol. 46 (2010), pp. 3–24.

8 Dahl, *Democracy and its Critics*.

9 David Held, *Models of Democracy* (Cambridge: Polity Press, 2006).

10 Michael Laver and Kenneth A. Shepsle, *Making and Breaking Governments* (Cambridge: Cambridge University Press, 1996).

of another world order, manifested in the First Gulf War and military intervention in the former Yugoslavia by NATO. Also, *inter alia*, due to the rise of neo-liberalism, the retrenchment of the welfare state became a salient policy issue.¹¹ Finally, the internationalization of domestic economies became a prime policy concern, compelling parties to revisit their policy priorities.¹²

This changing domestic and international political context forced parties to reconsider their programmatic outlook and policy preferences (i.e. policy-seeking behaviour) and also their mode of electoral competition (i.e. vote-seeking behaviour). Most notably the parties of the 'centre'¹³ tended to move even closer to the relative centre of the respective party systems, allowing new parties to emerge successfully – on both the left and the right of the party system spectrum.¹⁴

In short, macro-political and socio-economic developments seem to be related to shifting loyalties within electorates and are conducive to a change in vote-seeking behaviour of the established parties as well as in the policy-seeking behaviour of the 'pivot' parties – parties dominating the centre in multi-party systems.¹⁵ Obviously this also implied that political parties had to (re)consider how to develop a viable strategy to gain and maintain access to government under these circumstances. In addition, traditional parties had to (re)think their extant strategies with respect to controlling party government in terms of its policy-making capacities vis-à-vis the new parties that had

- 11 See Paul Pierson, 'Coping with Permanent Austerity: Welfare Restructuring in Affluent Societies', in Paul Pierson (ed.), *The New Politics of the Welfare State* (Oxford: Oxford University Press, 2001); Hans Keman, 'Explaining Miracles: Third Ways and Work and Welfare', *West European Politics*, vol. 26, no. 2 (2003); Klaus Armingeon and Giuliano Bonoli (eds), *The Politics of Post Industrial Welfare States: Adapting Postwar Social Policies to New Social Risks* (London: Routledge, 2006).
- 12 F. G. Castles (ed.), *The Disappearing State? Retrenchment Realities in an Age of Globalisation* (Cheltenham: Edward Elgar, 2007); Keman, 'Parties and Government'.
- 13 These parties included Social Democrats. See Herbert Kitschelt, 'European Social Democracy between Political Economy and Competition', in Herbert Kitschelt, Peter Lange, Gary Marks and John D. Stephens (eds), *Continuity and Change in Contemporary Capitalism* (Cambridge: Cambridge University Press, 1999); Hans Keman and Paul Pennings, 'Competition and Coalescence: Social Democracy and Christian Democracy Moving into the 21st Century', *Swiss Political Science Review*, vol. 12, no. 2 (2006), pp. 95–126.
- 14 Peter Mair, 'In the Aggregate: Mass Electoral Behaviour in Western Europe, 1950–2000', in Keman, *Comparative Democratic Politics*; Hans Keman and André Krouwel, 'The Rise of a New Political Class? Emerging New Parties and the Populist Challenge in Western Europe', Working Papers Political Science, No. 2006/02 (Amsterdam: Vrije Universiteit, 2006).
- 15 Hans Keman, 'The Search for the Centre: Pivot Parties in West European Party Systems', *West European Politics*, vol. 17, no. 4 (1994), pp. 124–48; Peter Van Roozendaal, 'The Effect of Dominant and Centre Parties on Cabinet Composition and Durability', in Keman, *The Politics of Problem-Solving in Postwar Democracies*; Reuven Y. Harzan, *Centre Parties: Polarisation and Competition in European Parliamentary Democracies* (London: Continuum, 1997).

Table 1. Electoral and party system features in representative democracies (1986–2006) (%)

Country	TurnOut	ChangeTO	Volatility	ChangeEV	VotesNP	ChangeNP	ParSupport
Australia	94.8	1.7	3.7	−1.8	2.7	1.8	55.8
Austria	84.3	−7.3	21.1	15.6	34.1	17.1	76.7
Belgium	91.9	−3.0	12.8	5.5	24.2	13.1	63.2
Denmark	87.1	1.5	13.3	3.6	10.1	2.4	40.6
Finland	69.6	−9.1	11.0	2.3	7.3	4.6	52.8
France	64.4	−7.5	12.6	6.6	21.2	15.0	62.7
Germany	80.3	−6.8	7.8	1.5	11.8	3.5	55.1
Greece	77.4	−6.1	6.2	−5.1	4.2	2.8	54.4
Ireland	62.7	−10.2	8.5	6.0	0.0	0.0	50.9
Italy	86.0	−8.8	22.0	13.4	32.8	15.7	53.5
Netherlands	79.5	−4.0	23.4	15.1	10.8	8.7	61.8
New Zealand	82.5	−10.4	18.6	5.3	5.3	0.8	52.6
Norway	75.5	−7.6	16.1	5.4	25.0	21.0	47.1
Portugal	61.5	−16.5	8.3	−6.7	13.1	−3.3	52.7
Spain	77.2	3.7	9.6	−4.6	0.0	0.0	49.8
Sweden	80.1	−9.0	13.9	6.3	6.2	4.0	37.4
Switzerland	45.2	−3.0	8.7	2.3	11.3	−2.7	80.6
Average	76.5	−6.0	12.8	4.2	12.9	6.1	55.7

Average = Cross-national average (N = 17). Sources: Mair, 'In the Aggregate'; K. Armingeon, S. Engler, P. Potolidis, M. Marlène Gerber and P. Leimgruber, *Comparative Political Data Set I*, available at: www.ipw.unibe.ch/unibe/wiso/ipw/content/e2425/e2426/e3672/e5109/files5111/CPDSI_Codebook1960-2009UPDATEger.pdf; Jaap Woldendorp, Hans Keman and Ian Budge, *Party Government in 48 Democracies (1945–1998): Composition – Duration – Personnel* (Dordrecht: Kluwer Academic Publishers, 2000) and updates; see also www/ipu.org: Inter-Parliamentary Union.

TurnOut = Electoral participation

Volatility = Electoral volatility

NP = New parties

ParSupport = Parliamentary support of government

entered the various party systems.¹⁶ Finally, and not unimportantly, in most cases the rules of the political game have changed since the 1990s, affecting party behaviour and the format and functioning of party government in particular.¹⁷ Table 1 notes these recent electoral and party system changes.

Table 1 reveals that there has been both de-alignment and re-alignment of the electors in most parliamentary democracies. Except for Denmark and Spain, lower turnout rates can be noticed (−6.0 per cent). Electoral volatility, indicating changing voters, rose by 4.2 per cent or more on average in a number of polities: Austria, Italy, the Netherlands, New Zealand and Norway. With the exception of New Zealand, these countries were

16 Mair, 'In the Aggregate: Mass Electoral Behaviour in Western Europe, 1950–2000'; Keman and Krouwel, 'The Rise of a New Political Class?'

17 Rudy Andeweg, 'Coalition Politics in the Netherlands: From Accommodation to Politicization', *Acta Publica*, vol. 43 (2008), pp. 254–77.

known for their high levels of political stability by means of consensus mechanisms.¹⁸ Yet the level of electoral volatility is presently hovering around the 12.8 per cent mark and is closely related to higher levels of voting for new parties (around 12.9 per cent).

This rise in electoral volatility has been conducive to new forms of electoral competition, not only between established parties but in competition with new parties and within party families. For a few countries, like Italy and New Zealand, this change was reinforced by changes to their electoral system. Both polities chose to introduce the German Mixed Member system (MMP) that resulted in a changed party system. In Italy it produced a complete overhaul, whereas in New Zealand the two-party system developed into a multi-party system while retaining two dominant parties (see Miller and Curtin in this issue).

It can be concluded therefore that the conditions regarding the formation and composition of party government in a range of democracies has been affected by changes after the 1990s. Although the established 'political class' still appears to have sufficient resources to remain in power, the conditions are changing and the corresponding dominance in party government appears to be fading. The question that is begging for an answer is *to what extent* these changing conditions have affected the formation and composition of party government. What change has taken place in terms of type of government and its composition? How did changing party behaviour affect government formation and functioning in terms of duration and termination? And what are the patterned variations of party government across the OECD and what do these changes signify in terms of responsiveness?

The literature on government formation suggests two plausible answers to these questions:

First, party behaviour appears more flexible and adaptive in terms of office-seeking behaviour than many observers often believe, and allows for new patterns of government formation.¹⁹ However, there is a limit to flexible behaviour, as the Belgian case illustrates (where the process of government formation had been running for more than 300 days at the time of writing).

Second, the existing institutional conditions appear to be often more beneficial to large(r) parties and often seem to function as 'veto points' to change and innovation.²⁰ Yet, again there is a limit to this, as was apparent in Italy and New Zealand in the early 1990s when institutional changes took place to 'break' the conceived power of the central or dominant parties.

18 For this see Lijphart, *Patterns of Democracy*, p 265.

19 Richard Katz, 'Party Government: A Rationalistic Conception', in Francis G. Castles and Rudolf Wildenmann (eds), *Visions and Realities of Party Government* (Berlin: de Gruyter, 1986); Hans Keman, 'Party Government Formation and Policy Preferences: An Encompassing Approach?', in Alan Weale and Judith Bara (eds), *Democracy, Parties and Elections* (London: Routledge, 2006).

20 M. G. Schmidt, 'The Impact of Political Parties, Constitutional Structures and Veto Players', in Keman, *Comparative Democratic Politics*, pp. 166–85.

Obviously each approach induces different answers: the former is derived from an actor-oriented perspective focusing on behavioural patterns, whereas the latter considers the institutional design of a polity as explaining the paradox of 'centre' parties steadily losing their vote share in elections and yet often controlling in the game of government formation.²¹ Both perspectives will be analysed here.

The game of government formation: rules, representation, parties

Government formation in parliamentary democracies is naturally a crucial stage for all parties involved. The formation game is not only important as regards 'who gets what, when and how',²² but also because the result determines to what extent the people's representatives (i.e. parties in parliament) participate in the executive. Hence, elections are vital not only to changes of party government, but also to how executive powers are (re)distributed among parties in parliament, for the underlying idea on *indirect* democratic representation is that the relative change in electoral strength of a party is reflected in more or fewer executive powers subsequently.²³

Representative government can institutionally be considered as a delegation of parliament.²⁴ At the same time it is conventional wisdom that government is formed by parties representing the majority in parliament, or is tolerated by the majority if it is a minority government. In short, the fundamental prerequisite for forming party government (be it by a single party, a majority coalition or a minority government) is to gain and maintain the support of the majority in parliament (see Table 1 for the extent to which this is the case across the countries under review). From this it follows that the variation in types of government indicates the extent to which executive powers are concentrated in a few parties or is shared among a number of parties. The type of government thus indicates the degree of parliamentary representation in government. Additionally, so the argument goes, the type of government and its support indicates its life cycle in terms of duration (or rate of survival, i.e. the proportion of the maximum time a government survives the legislative period; see Table 2). Although in many cases this cycle is concurrent with the electoral cycle, this is certainly not always the case, and governments may be terminated earlier for reasons other than regular elections. Again, more often than not the types of government formed show variations in life cycle. Hence, it must be concluded that our understanding of the game of government formation is still limited and, more importantly, more complex than is often suggested. Let us therefore have a closer look at how coalition theory has developed.

21 Keman, 'Parties and Government'.

22 Harold Laski, *Parliamentary Government in England* (New York: Viking Press, 1938).

23 Katz, 'Party Government: A Rationalistic Conception'; Ian Budge and Hans Keman, *Parties and Democracies: Coalition Formation and Government Functioning in 20 States* (Oxford: Oxford University Press, 1990); Michael D. McDonald and Ian Budge, *Elections, Parties, Democracy: Conferring the Median Mandate* (Oxford: Oxford University Press, 2005).

24 Strøm et al., *Delegation and Accountability in Parliamentary Democracies*.

Table 2. Features of party government's life cycle

Country	Type of government	Reason of termination	Rate of survival	Rate of innovation
Australia	1.4	1.11	0.80	10.0
Austria	2.0	1.78	0.61	22.7
Belgium	2.5	2.33	0.50	22.0
Denmark	4.1	2.63	0.59	39.2
Finland	3.6	2.11	0.58	91.7
France	3.2	3.14	0.40	13.5
Germany	2.7	1.89	0.64	11.8
Greece	1.2	1.56	0.46	10.0
Ireland	2.7	2.50	0.45	62.6
Italy	3.7	3.00	0.24	41.5
Netherlands	3.3	2.11	0.67	37.1
New Zealand	2.3	2.08	0.65	50.0
Norway	3.2	1.83	0.48	24.3
Portugal	2.3	1.64	0.65	0.0
Spain	2.0	1.13	0.82	66.7
Sweden	3.3	2.00	0.48	29.6
Switzerland	2.9	1.00	1.00	0.0
Averages	2.7	1.99	0.59	31.3
Mode	2.0	2.11	0.48	0.0

Type of government: scale running from 1 to 5; 1 = single party government; 2 = minimal winning coalition type; 3 = surplus coalition = more parties than needed; 4 = single party minority government; 5 = multi-party minority coalition.

Reason of termination: scale running from 1 to 5; 1 = regular election; 2 = resignation of PM; 3 = dissension between executive and legislature; 4 = conflict within government; 5 = intervention of head of state.

Rate of survival: percentage of time in office proportional to legislative period.

Rate of innovation: number of governments where a party enters different from the preceding one.

Note: the mode is also reported because both the type of government and the reasons of termination are nominal scales: type of government has a skewed distribution. See Mair, 'Democracy Beyond Parties'; Voldendorp et al., *Party Government in 48 Democracies*.

Coalition theory developed as early as the 1940s by means of formal modelling. These approaches informed by rational choice have been further elaborated and applied to explain the outcomes of government formation.²⁵ The actual outcomes, however, did not strongly support the formal approaches (see Table 3). In fact the types of government indicating power concentration only account for a minority of cases under review here. In other words theories oriented towards office-seeking are insufficient to explain the actual distribution and therefore the underlying mechanisms of the game of government

25 See for overviews: Lijphart, *Patterns of Democracy*; Keman, 'Party Government Formation and Policy Preferences: An Encompassing Approach?'; W. Müller and K. Strøm (eds) *Coalition Governments in Western Europe* (Oxford: Oxford University Press, 1999).

Table 3. Proportion of time in government of centrist and dominant parties (%)

	Centre parties in government			Dominant parties in government		
	1970–1989	1990–2005	Change	1970–1989	1990–2005	Change
Australia	0.0	0.0	0.0	100.0	100.0	0.0
Austria	16.4	48.7	32.3	100.0	100.0	0.0
Belgium	55.8	26.9	–29.1	100.0	100.0	0.0
Denmark	16.2	43.9	27.7	61.5	57.7	–3.7
Finland	32.3	21.9	–10.4	95.5	97.0	1.5
France	14.6	12.9	–1.7	91.5	88.7	–2.8
Germany	25.0	75.0	50.0	100.0	100.0	0.0
Greece	0.0	0.0	0.0	100.0	93.3	–6.7
Ireland	32.1	9.0	–23.1	67.5	61.7	–5.8
Italy	71.7	24.0	–47.7	100.0	94.3	–5.7
Netherlands	56.8	39.4	–17.4	87.5	91.7	4.2
New Zealand	0.0	14.6	14.6	100.0	100.0	0.0
Norway	11.5	33.3	21.8	56.5	62.7	6.2
Portugal	0.0	30.7	30.7	75.0	83.3	8.3
Spain	43.1	44.3	1.2	100.0	100.0	0.0
Sweden	17.0	33.3	16.3	57.5	66.0	8.5
Switzerland	28.6	26.7	–1.9	100.0	100.0	0.0
Averages	24.8	28.5	3.7	87.8	88.0	0.2

Explanation: Centre parties in government = parties occupying the centre space in a party system; Dominant party in government = party with largest seat share in parliament. See Keman, *The Politics of Problem-Solving in Postwar Democracies*.

Example: In the Netherlands between 1990 and 2005 39.4 per cent of the time centre parties have been in government and 91.7 per cent of the time the largest party has been in government. Note that there is sometimes an overlap between centrist and dominant parties' time in office.

formation. The major shortcoming is that these parsimonious approaches leave out a number of crucial factors that direct the game:

- institutions*: the formal rules and conventions that constrain actors and options for government formation and the eventual type of government to emerge;
- party system dynamics*: the interaction of parties and their spatial distribution in terms of policy issues in relation to party government and its responsiveness.²⁶

During the 1970s and 1980s these variables were integrated and elaborated in the literature. In essence this led to two types of coalition theory, each having a different impact on explaining government formation as such, and the likelihood of the outcome in terms of the distribution of types of government. On the one hand, I discern *policy-*

26 Lijphart, *Patterns of Democracy*; Keman, 'Centre-Space Politics: Party Behaviour in Multi-Party Systems'.

driven approaches,²⁷ and on the other hand, the slow but decisive development of *institutional* theories.²⁸ In this paper both approaches will be used to discuss party government formation and its complexities.

Policy-driven theories depart from the assumption that, in addition to the office-seeking behaviour of parties (or power maximization), these parties are *also* policy-seeking. A leading hypothesis in coalition theory is the so-called 'least distance' condition (or closest neighbour). Parties prefer to share executive power with other parties when the policy distance is smallest – that is, producing minimal-winning connected (MCW) coalitions. This approach has led to various elaborations like minimal range theory, win-set theory, and so on.²⁹ However, most of these approaches still depart from the 'maximization' assumption: that is, sharing power with as few parties as possible under the rule of having a parliamentary majority. Despite the plausibility of the maximizing hypothesis, 51.7 per cent of the party governments formed (of which almost 27.5 per cent are minority governments) could not support it.

The institutional approach, emerging in the late 1980s, attempted to improve this low performance of the 'least distance' hypothesis in empirical terms. The introduction of formal rules and conventions as options *and* constraints of party behaviour allowed for a better understanding of party behaviour, on the one hand, and accounted for a higher level of empirical performance as regards the occurrence of *different* types of government, on the other hand. Examples are, for instance, the rule in some polities that the calling of an election or the resignation of a prime minister is the prerogative of the head of state. In addition to the formal rules that help us understand why surplus types and minority governments can and do exist is the development of conventions in many polities (like procedural rules with regard to the formation and functioning of coalition government) that demonstrate *why* outcomes of government formation other than those expected in other theories do occur.³⁰

A final aspect of explaining actual coalition formation in relation to the *party* composition of government is the direction and dynamics of the party *system*.³¹ Obviously, this dimension connects the policy-driven theories with an actor-oriented approach. This requires the policy distances between parties to be investigated, showing the divergence or convergence of parties.³² It also shows why some parties are more important than others in terms of occupying the central position (within the respective party

27 These replaced 'policy blind' theories: Budge and Keman, *Parties and Democracies: Coalition Formation and Development Functioning in 20 States*.

28 Strøm et al., *Delegation and Accountability in Parliamentary Democracies*; Michael Laver and Ian Budge, *Party Policy and Government Coalition* (Basingstoke: Macmillan, 1992).

29 Kaare Strøm, 'A Behavioral Theory of Competitive Political Parties', *American Journal of Political Science*, vol. 34, no. 2 (1990), pp. 565–98.

30 Strøm et al., *Delegation and Accountability in Parliamentary Democracies*; Andeweg, 'Coalition Politics in the Netherlands: From Accommodation to Politicization'; Woldendorp et al., *Party Government in 48 Democracies*.

31 Laver and Shepsle, *Making and Breaking Governments*.

systems). Both elements are vital for understanding the process of government formation as well as the actual outcome in terms of viable party government.³³

In summary: the thrust of the argument is that the link between parliamentary representation of parties and their participation in government can be theoretically and empirically established by analysing the cross-system institutional variation influencing the type of government and its life cycle in the countries included in the analysis. Additionally, the relative weight of party behaviour and related policy preferences that can be derived from party system dynamics enhances the type of government as an outcome.³⁴ In the next section both perspectives will be examined empirically in view of the observed variations of party government since 1990.

Types of party government: constraints and life cycle features

According to Arend Lijphart, the distinction between power concentration and sharing is directly related to the different types of government: the fewer parties are in government the more concentrated the power of a few parties (maximized if there is a single-party government as in the UK or Canada), and, conversely, the more parties participate in government the higher the degree of power-sharing. This feature is not only restricted to so-called surplus coalitions (i.e. the number of parties participating exceeds the need for parliamentary support), but is also apparent in multi-party minority government, or – albeit to a lesser extent – to minority one-party government. In addition, if and when a government is formed with the help of parties that tolerate government by means of formal agreement it can also be considered to be power-sharing. Hence, if we ask whether or not the results of the formation game are related to electoral changes between parties (as for example indicated by electoral volatility: see Table 1) or are more or less representative, then the *type of government* that prevails in the democracies under review is indicative.

Table 2 shows that the type of government, and in particular coalition government, has changed. In a number of polities this has meant a shift away from ‘surplus’ coalitions to the MWC type (e.g. Belgium, the Netherlands, Ireland, Portugal) or towards minority coalitions with (temporary) external support (e.g. Denmark, France, New Zealand, Norway, Sweden and recently the Netherlands). This development is in part associated with the diminishing dominance of the established parties (on average the vote share of the two largest parties in parliament declined by 6.5 per cent after 1990), on the one hand, and due to volatile electoral changes, on the other hand. However, it signifies a

32 H. Kim and R. C. Fording, ‘Government Partisanship in Western Democracies, 1945–1998’, *European Journal of Political Research*, vol. 41, no. 2 (2002); McDonald and Budge, *Elections, Parties, Democracy: Conferring the Median Mandate*.

33 P. V. Warwick, ‘Ideological Diversity and Governmental Survival in Western European Parliamentary Democracies’, *Comparative Political Studies*, vol. 25 (1992), pp. 332–61.

34 Paul Pennings and Jan-Erik Lane (eds) *Comparing Party System Change* (London: Routledge, 1998); Schmidt, *The Impact of Political Parties*.

tendency towards 'power-sharing' apparently not based on 'appeasement' or upholding the general interest, but rather on sheer self-interest for survival.

Both the rates of 'survival' and 'innovation' are therefore also indicators of the extent to which party government follows electoral (and party system) change, on the one hand, and of viable intra-governmental cooperation, on the other. Alternatively, one could argue if this is less or not the case then it may well imply that certain mechanisms (and institutions) are conducive to a game of government formation that distorts the chain of democratic command and control by party government.³⁵

This chain represents the logic of representation in democracies in terms of principal-agent relations. Coalition theory is meant to explain the link between elections, party systems and representative government and the underlying assumption is that government formation in parliamentary democracies is by and large conducive to congruence between the overall ideas on policy formation and does justice in this way to the post-electoral (re)distribution of power of the parties.

This question is answered by comparing the party positions on a left-right scale with those of the parties in government. As Figure 1 shows, the comparative differences are apparent. In Australia, Austria, Belgium, Finland, France, Ireland and to some extent New Zealand there exists more incongruence than elsewhere (in particular in Denmark, Italy, the Netherlands and Switzerland) pointing to a gap between the overall direction of the party system and parties in government. This variation cannot be explained by the type of party system or by the type of government alone. It appears that a *combination* of factors play a role: on the one hand, institutions that direct the executive-legislative behaviour, on the other hand, party system characteristics.

The main institutions or 'rules of the game' that direct government formation, and thus the resulting type of government, concern the role of the head of state, the support of government required, the electoral outcome and the level of competition within parliament. In some polities the (often informal) rule is that a government should obtain majority support prior to its investiture, whereas in other polities this is not the case and therefore minority coalitions occur more frequently. Examples of the first kind are Belgium, Germany, the Netherlands and Spain. In Germany and Spain this is a formal rule to prevent the formation of instable government or even undemocratic rule.³⁶ In Belgium, Switzerland and the Netherlands it is an informal rule and a legacy of 'consociational' practice to enhance encompassing coalitions that represented most minorities.³⁷ Interestingly enough, this informal rule appears not to be followed any more in the Netherlands (the latest government being a minority coalition) and in Belgium it appears to prevent a coalition being formed. In Scandinavia minority party government occurs regularly and, according to Strøm,³⁸ is often as viable as majority government. In

35 Katz, 'Party Government: A Rationalistic Conception'; Budge et al., 'Comparative Government and Democracy'; Keman, 'Centre-Space Politics: Party Behaviour in Multi-Party Systems'; Strøm et al., *Delegation and Accountability in Parliamentary Democracies*.

36 Schmidt, *Demokratiethorien*.

37 Hans Keman, 'The Low Countries: Confrontation and Coalition in Segmented Societies', in Josep Colomer (ed.), *Comparative European Politics* (London: Routledge, 2008).

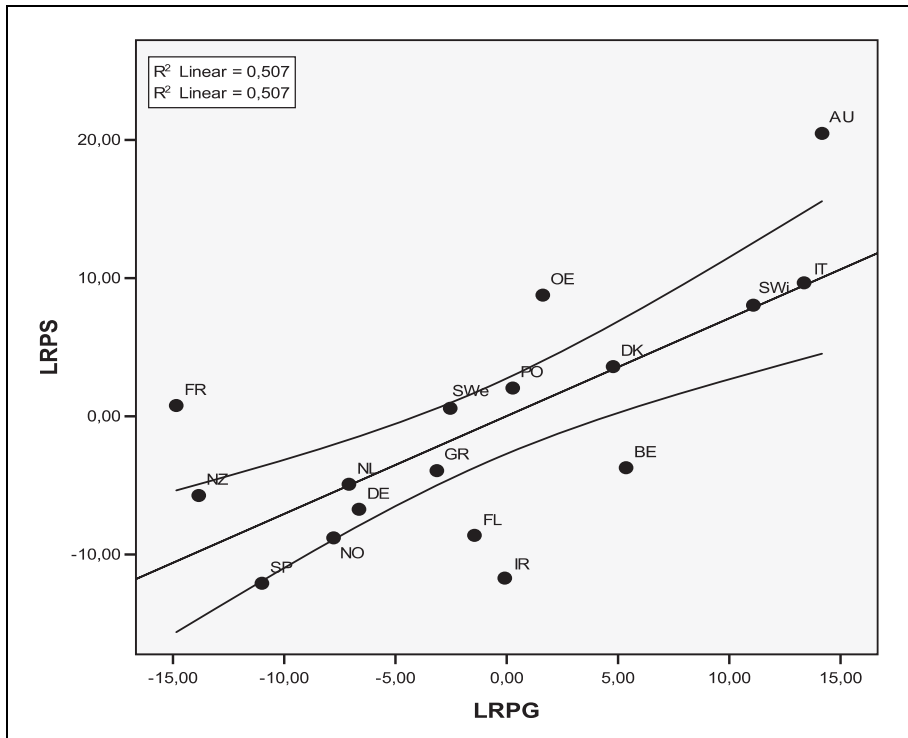


Figure I. Correspondence left–right distinction of government and party system.

Congruence measure = difference PS – PG; the smaller the difference the more congruence. Negative scores = to the left; positive scores = to the right.

Source: Derived from I. Budge, H. D. Klingemann, A. Volkens and J. Bara, *Mapping Policy Preferences: Parties, Governments, Electors 1945–1998* (Oxford: Oxford University Press, 2001).

part this can be explained by how executive–legislative relations are organized: in Scandinavian polities the so-called ‘committee’ system prevails as regards the parliamentary decision-making procedures (where the ‘rule’ is that parliament follows the committee recommendations). Hence different majorities can be formed for different policy sectors and related party preferences. This is not so in New Zealand where parliamentary support is established by means of separate policy agreements across different parliamentary parties prior to the investiture of a government.

In most established democracies the electoral outcome more or less directs the subsequent process of government formation. Often the head of state plays an active role in the initial stage of forming a government. He/she can invite the leader of the biggest party or winner of the highest number of seats to form a government. Yet in other systems this is self-evident without the involvement of

the head of state and more often than not it is the largest party that takes the first steps. The electoral outcome can also be relevant as to what party combination(s) are considered to be conducive to the most viable coalition. However, the extent to which this is the case also depends on how antagonistic parties have been during the campaign or how big the party differences are (or have become). In addition, it makes a difference whether or not 'new' parties have gained access to the party system and are seen as 'regierungsfähig'.³⁹ For instance, in Austria the right-wing populist party FPÖ have formed a coalition with the ÖVP (Christian Democrats) and in Germany the left-wing Green Party has gained access to party government by cooperating with the Social Democratic SPD. Conversely, in Belgium the right-wing Flemish Block has been systematically barred from government. This containment policy is differently conducted in Denmark and the Netherlands: the populist parties have been accepted as support parties instead of becoming full members of party government.⁴⁰

From the above it becomes clear that rules indeed have consequences for government formation, and also that these rules are used differently by parties in the various countries under review. This depends to a large extent on what position a party has in the existing party system. As I have shown elsewhere, centrist and larger parties in parliament tend to dominate government formation to a large extent notwithstanding their electoral (mis)fortune: they are generally more often and longer lasting in government.⁴¹ In Table 3 this pattern is clear, in particular for the largest party in parliament.

It is easy to observe that being the largest party in parliament signifies a strong position with respect to forming a government. This is less so regarding occupying the 'centre' space within the party system. It appears merely a bonus in some countries for centrist parties. However, it is not always so: after 1990 the position of centrist parties changed in a number of polities, particularly those where Christian Democrats have lost electoral ground in the last few decades.⁴² In addition to the rise of new parties in some countries, centrist parties that lost electoral ground became less successful (Italy being the prime example), but not always. Another feature of Table 3 is that in some party systems there are no parties in the centre (e.g. Australia and Greece), and also that in some countries the centre becomes occupied (e.g. Scandinavia) at the cost of left- and right-wing parties. All this makes clear that party system dynamics, i.e. change in party positions, influence the extent to which patterns of party government develop over time. An important aspect of these dynamics is not only the change in party behaviour per se, but also to what

39 'able to govern', see Keman and Krouwel, 'The Rise of a New Political Class?'

40 Peter Mair, 'Democracy Beyond Parties'; Kris Deschouwer (ed.), *New Parties in Government: In Power for the First Time* (London: Routledge, 2008).

41 Keman, 'Parties and Government'; Keman, 'The Search for the Centre: Pivot Parties in West European Party Systems'.

42 Keman and Pennings, 'Competition and Coalescence: Social Democracy and Christian Democracy Moving into the 21st Century'.

extent party system dynamics affect the policy-related quality of representation of the parties in government – or what I call ‘responsiveness’.

Responsiveness and party government viability

As noted, party government can be considered to be an agent of parliament and, indirectly, of the people. In this capacity the agent is a delegation of parliament and represents, more often, not only the majority in parliament but also the main parties.⁴³ Hence the more parties are in government, the more it is an agency representing a plurality of policy preferences within the party system. As opposed to minimal-winning coalition theories the broader types of (coalition) government are more representative than the office-seeking and power-concentrating types. Arend Lijphart viewed this as a better type of government than pure majoritarian party government. In particular, single party government is, in this view, the example of a non-representative type of government, since it represents ‘winner takes all’. This is essentially a normative debate and often refers to the work of Arend Lijphart.⁴⁴ Whereas Lijphart advocates broad encompassing coalitions bridging policy differences within the executive, Dahl seems to prefer pluralist interest representation that will be conducive to policy solutions that are shaped through executive–legislative relations. Actually these approaches do not contradict each other, but they differ where the locus of agreement or consensus is institutionally organized if it emerges.

The agreement is that societal interests ought to be represented and can and will have an impact on democratic decision-making. The key for examining this empirically is in my view related to the degree of ‘responsiveness’ of both parliament and government: in other words, to what extent parties – the principal carriers of interest representation in any representative system – are able to translate their electoral mandate into public policy formation.⁴⁵ As noted in Figure 1, the overall distinction in terms of left and right in a party system is more and less congruent with parties in government. In Table 4 I show the degree of responsiveness between party system and party government for specific policy positions: on the one hand, a scale as regards state intervention and its counter-position, neo-liberalism, is constructed. On the other hand, I use the extent to which parties are more or less favourable to the maintenance or extension of the welfare state. The more/less the differences between parliamentary parties and those in government the more/less the (indirect) representation of certain interests appears to be.

First, the overall left–right distinction may well indicate how close (or not) party government is to the party positions within the party system as a whole. This is obviously not always the case. In many cases the policy preferences across the party system are differently shaped from what a left versus right distinction would suggest (correlations between the policy indicators and the left versus right distinction are insignificant). It may well signify that this distinction is much more related to electoral party competition than to

43 Budge et al., ‘Comparative Government and Democracy’.

44 Arend Lijphart, *Thinking about Democracy: Power Sharing and Majority Rule in Theory And Practice* (London: Routledge, 2008); Dahl, *Democracy and its Critics*.

45 Schmidt, *The Impact of Political Parties*.

Table 4. Party differences between political systems with party government, 1990–2006

Country	State intervention	Neo-liberalism	Welfare state	Left v. right
Australia	−0.59	−1.88	−0.31	6.30
Austria	0.23	−0.81	0.59	7.15
Belgium	0.05	−1.22	−0.86	−9.08
Denmark	1.33	−1.13	0.65	−9.37
Finland	1.10	0.15	2.24	−7.16
France	0.52	−0.46	−3.50	15.63
Germany	−0.04	0.44	3.88	−0.09
Greece	−0.11	−0.85	1.30	−0.79
Ireland	−0.63	−0.06	−0.16	−11.62
Italy	−0.19	−0.94	3.26	−3.70
Netherlands	0.15	−1.63	0.70	2.17
New Zealand	1.19	−0.01	3.48	8.11
Norway	−0.10	−1.37	1.37	−1.01
Portugal	0.92	2.06	−2.41	1.78
Spain	1.05	1.10	0.60	−1.08
Sweden	−0.37	0.09	−1.90	3.12
Switzerland	1.19	0.27	−3.94	−3.04
Average	0.34	−0.37	0.29	−0.02

Note: Calculated using the data from Budge et al., 2001 and elaborated by Keman, 'Parties and Government: Incumbency and Representation in Parliamentary Democracies'. State intervention, neo-liberalism and welfare state all concern variables in this data set. Left v. right: scale taken from Budge et al., 2001 (and updates). The figures are the scores for all parties in parliament and those in government respectively.

Calculation: Party system scores *minus* party government scores. Interpretation: if different, then party system positions are *incongruent* with government positions than if negative. If positive: party system positions are stronger than for parties in government; if negative the opposite is true. For example, in New Zealand scores of all parties are more in favour of state intervention than those of the parties in government. However, neo-liberalism is congruent between government and parliament.

executive—legislative relations. This appears to be a plausible observation and means that explanations for government formation should consider the policy preferences of parties to account for both the formation of party government and its responsiveness as an agent.

It can be noted that in most systems there is ample comparative variation with respect to the three policy indicators of responsiveness. As regards state intervention, in only five countries is the difference between party system and party government over 1.0 point (Denmark, Finland, New Zealand, Switzerland and Spain) and is significantly correlated to types of government. Neo-liberal ideas seem to prevail more in government than in parliament except for five countries with Australia (−) and Portugal (+) at the extremes of the distribution. Welfare statism is clearly the indicator with most variation in terms of congruence (range = 6.82) with 10 cases where government sets a higher priority regarding welfare policies. All in all, there are significant

Table 5. Government life cycle: type, termination, survival

Dependent Y	X1	X2	Collinearity =	
			R2 × 100	ViF score
Type of government A = 1.25*	Reason for termination Beta = 0.50*	Hierarchy government Beta = -0.43*	50.0	1.02
Reason for termination A = 1.24*	Type of government Beta = 0.42*	Welfare congruence Beta = 0.42*	47.5	1.15
Rate of survival A = 1.05*	Reason for termination Beta = -0.84**	Welfare congruence Beta = 0.06*	60.0	1.50

Note: OLS regression coefficients; A: intercept; Beta: standardized scores; * significant at 0.05; if ViF score < 2.0 no collinearity. See Tables 2 and 4 for description and scores of the variables, but for hierarchy government = difference between collegiality and prime minister being supremo, see: H. Keman, 'Parties and Government: Features of Governing in Representative Democracies', in R. Katz and W. Crotty (eds) *Handbook of Party Politics* (London: Sage, 2006).

differences between parliament and government in relation to policy congruence in the polities under review.

In terms of party government formation and coalition theory the question remains to what extent its viability is influenced by its shape and form, on the one hand, and how it performs in terms of duration and termination.⁴⁶ To provide an answer to this question I set out (on the basis of multiple regression analysis) in Table 5 the relevant relations between indicators of the 'life cycle' of party government: type of government – reasons of termination – rate of survival. I argue that, in addition to these variables, the internal organization of party government and welfare congruence are important for understanding the life cycle of party governance.⁴⁷

The emerging pattern is clear and altogether not very surprising: multi-party governance is more vulnerable in duration than the other way around and is more likely to be terminated by factors other than regular elections. Yet if such governments are organized in a more collegial way this appears to function as a countervailing factor. In other words, the more equitable the internal organization of party government the better the chances for a multi-party coalition to survive (e.g. in a surplus or minority coalition). In many cases temporary *policy* agreements can be found within government between the participating parties or parliament.

This argument spills over into the second model where the main reasons for termination – type of (coalition) government and the lack (or not) of congruence on welfare statism – are relevant. The larger this gap, the more often *other* reasons for termination (like unanticipated elections, dissension within government or between government and parliament) appear to occur. This signifies that the formation of a coalition and its policy-seeking position is crucial for its life cycle.⁴⁸ This makes sense: welfare-related

46 Keman, 'Parties and Government'; Warwick, 'Ideological Diversity and Governmental Survival in Western European Parliamentary Democracies'.

47 Woldendorp et al., *Party Government in 48 Democracies*.

policies are electorally sensitive and thus important for all parties, either in or out of government.⁴⁹

Finally Model 3 follows quite self-evidently from the first two models and shows institutional factors together with the compatibility of parliament and government in terms of policy congruence, in particular welfare statism are also relevant. The fact that this policy sector matters is not only due to its electoral sensitivity, but can also be understood as part of the prevalent urge for retrenchment within the OECD.⁵⁰ I argue therefore that both policy-seeking and office-seeking motives are central to understanding how government formation and its subsequent 'life' after 1990 have been shaped and determine the viability of party government in terms of its survival.⁵¹

Conclusion

Coalition theory would strongly benefit from not only focusing on the formation process per se, but also by integrating the subsequent life cycle of party government into the analysis. Obviously actors – political parties – have an institutional memory, and, as governments come and go, parties must negotiate afresh but also take into account past experiences. This is a reiterated process where past behaviour, the extant rules of the game, and present party positions are known to all, together with the policy performance of the former government. The study of (coalition) government should not be viewed as a one-shot game (as rational choice approaches tend to do) and should not be conducted without taking into account contextual variations (like social and economic changes) or the time dimension. Finally, the coalition praxis to form a new government is not only a post-electoral 'game' conducted within parliament and government between parties, but also a serious exercise by parties – as agents of the electorate – to 'translate' policy preferences into a viable agreement that by and large honours the voters' choices. The fact that coalition government formation is a reiterated process and should lead to a responsive government is often overlooked. The tentative analysis presented in this paper serves to illustrate these points.

Biographical note

Hans Keman holds the Chair in Comparative Political Science in the Department of Political Science at the VU University Amsterdam. His research expertise concerns democratic theory, the welfare state, party family analysis (social democracy in

48 Keman, 'Party Government Formation and Policy Preferences: An Encompassing Approach?'; see also Laver and Budge, *Party Policy and Government Coalition*; Müller and Strøm, *Coalition Governments in Western Europe*.

49 Schmidt, *The Impact of Political Parties*.

50 See Pierson, 'Coping with Permanent Austerity: Welfare Restructuring in Affluent Societies'; Castles, *The Disappearing State?*

51 Laver and Shepsle, *Making and Breaking Governments*; Warwick, 'Ideological Diversity and Governmental Survival in Western European Parliamentary Democracies'; Andeweg, 'Coalition Politics in the Netherlands'.

particular), party government and comparative methods. He has published widely and frequently on these topics in journals such as the *Journal of Public Policy*, the *British Journal of Political Science*, and the *European Journal of Political Research*. At present he is preparing a volume on party government in the new Europe and on the life cycle of the social democratic party family: its origins, rise, success and adaptation.